



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

0003

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355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

April 4, 1991

Mr. Dick Shumway
1810 Shumway
Moab, Utah 84532

Dear Mr. Shumway:

Re: Factory Butte Mineral Project (ML45082), M/055/006, Wayne County, Utah

This letter is written as a follow-up to our recent conversations regarding the permitting of the Factory Butte Project. I have also spoken to members of the coal permitting staff, since our last conversation on March 23, 1991, and have discovered further complications to permitting the site.

In my letter of February 26, 1991, I explained you could permit the site as an Exploration Project, if you mined 250 tons of coal or less per year. Apparently, the 250 tons is a one-time deal and not to be used on an annual basis or on any other time sequence. Also, according to the coal staff, the coal can be used for exploration purposes only, and not sold commercially.

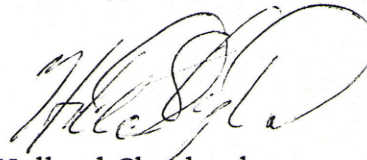
I have obtained a copy of our new coal rules and have read them in reference to your questions. I suggest another step, which will require that the Division evaluate your request based on a "Regulatory Determination of Exemption". Please read the attached rules, thoroughly, then submit a request to the Division based on the specifications under R614-100-500, Applicability.

Please mail your request into Ms. Pamela Grubaugh-Littig, Permit Supervisor, Division of Oil, Gas and Mining; 355 West North Temple, Suite 350; Salt Lake City, Utah 84180-1203.

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Dick Shumway
M/055/006
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Feel free to contact me also, if you have further questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Shepherd", written in a cursive style.

Holland Shepherd
Senior Reclamation Specialist

jb
Attachment
cc: Pam Grubaugh-Littig, DOGM
Wayne Hedberg, DOGM
M055006.1

p.s. Put something together. Make it brief. Couple of sentences asking the Division for bond release on the Thornburg Memorial site. We have received the BLM's letter.